



FEDERAL RESERVE BANK *of* NEW YORK

Overview of the Regional Economy

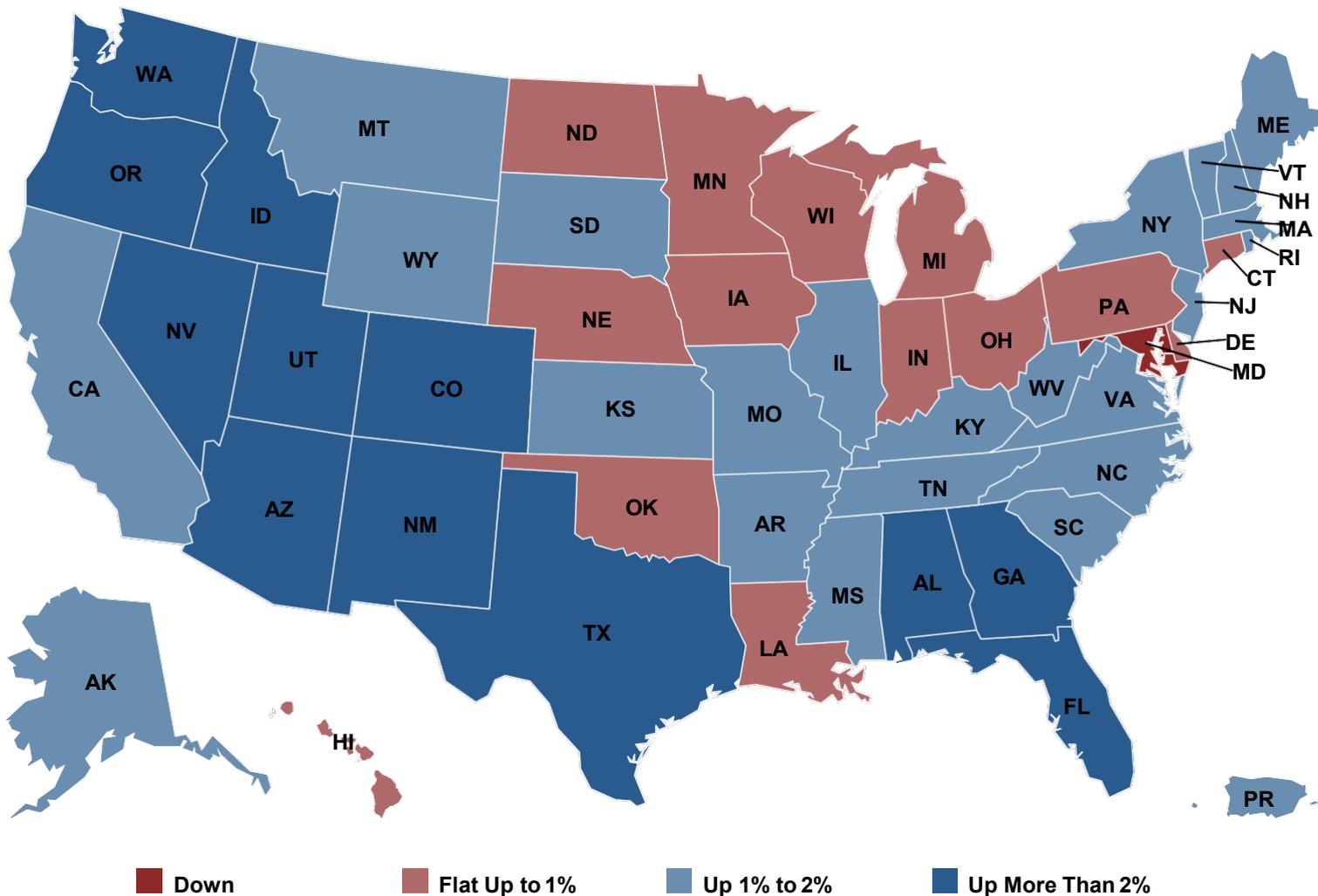
Jason Bram, Research Officer

Presentation to the Community Advisory Group (CAG)
October 10, 2019

The views expressed here are those of the presenter and do not necessarily represent those of the Federal Reserve Bank of New York or the Federal Reserve System.

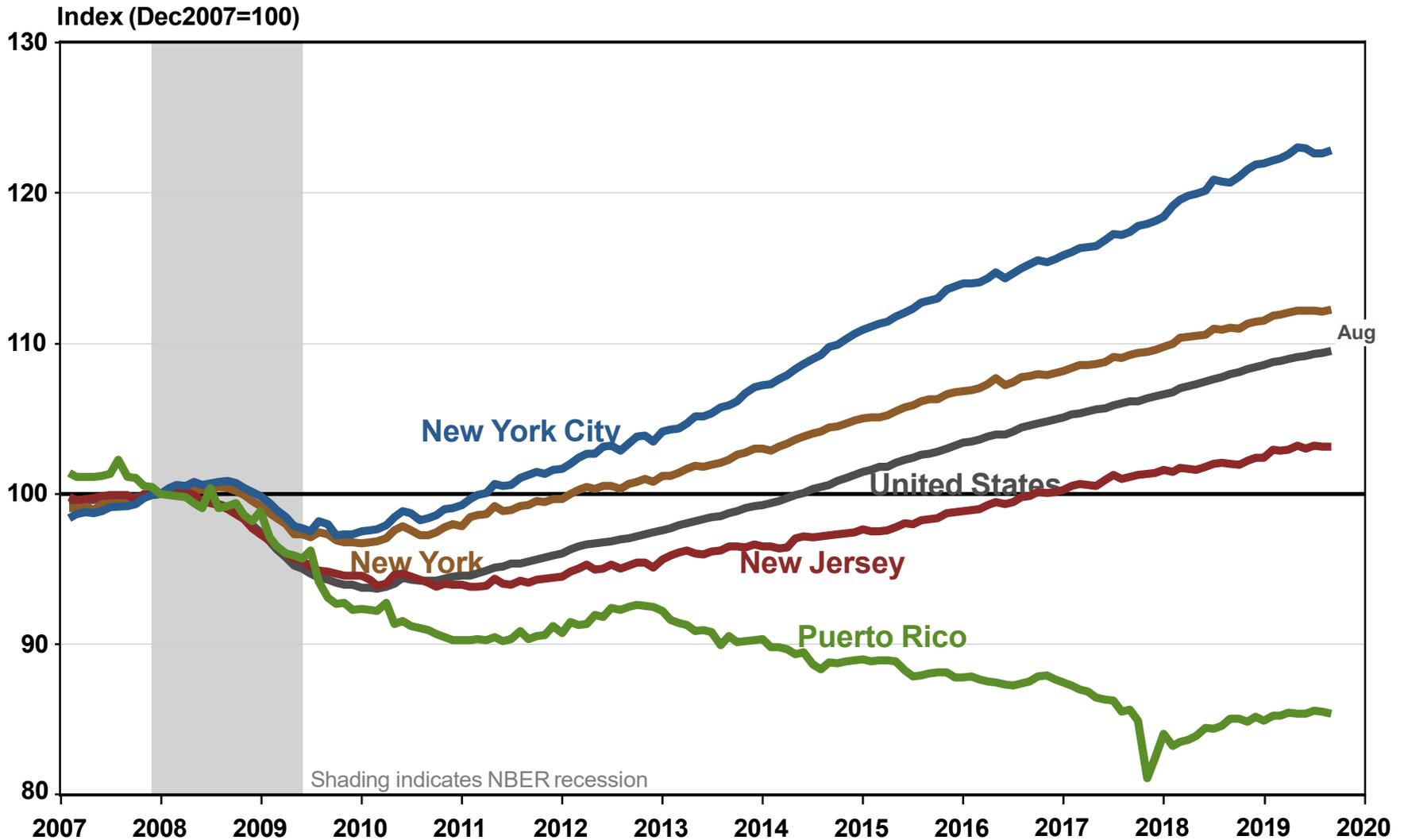
Recent Private-Sector Job Trends

Year-Over-Year Percent Change as of August 2019



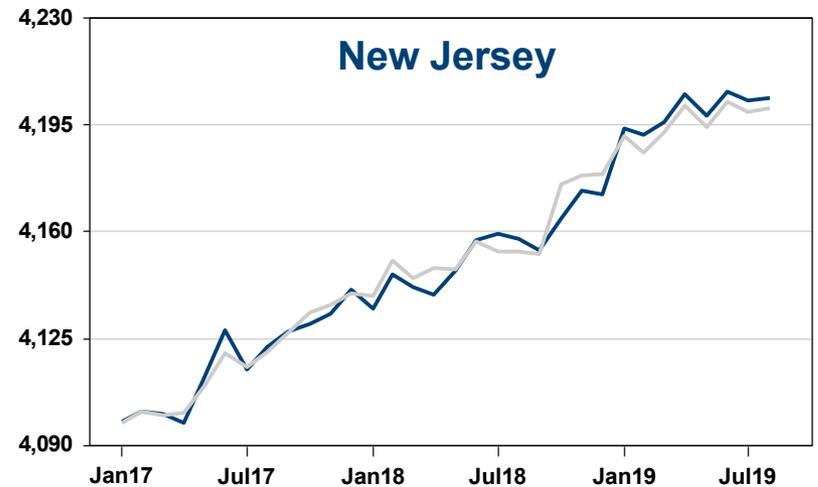
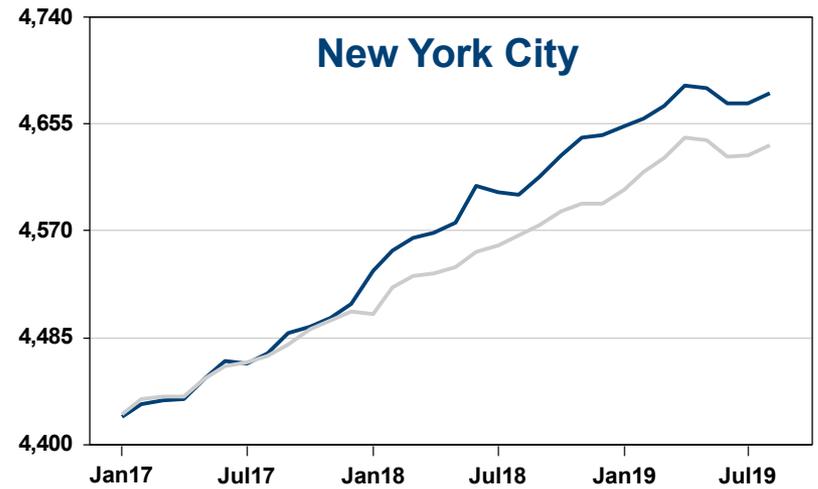
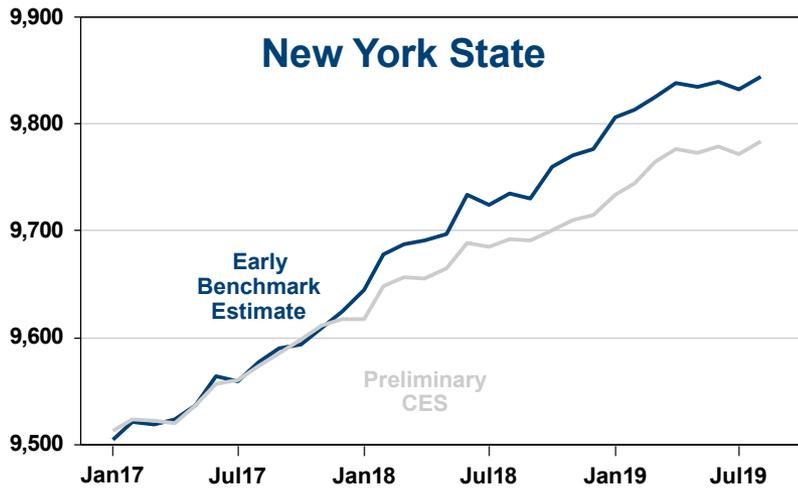
Total Employment

Seasonally Adjusted Index



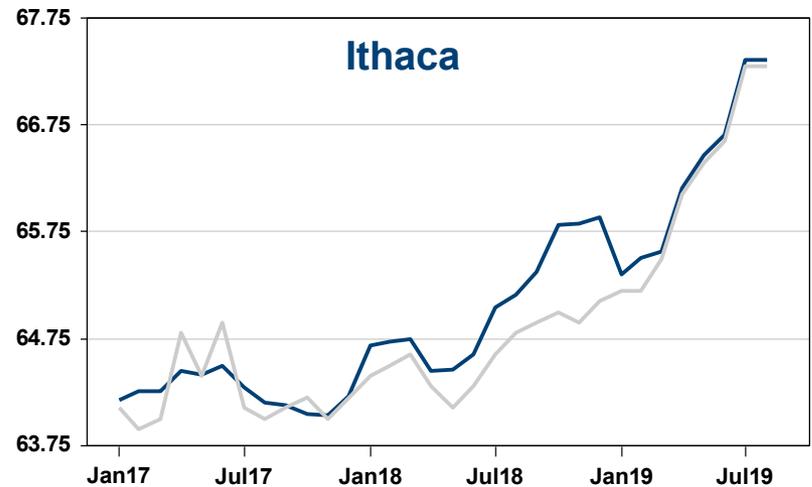
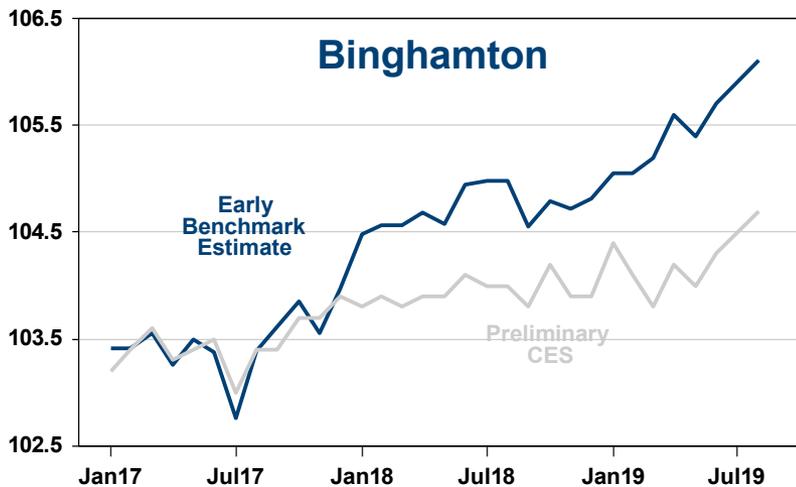
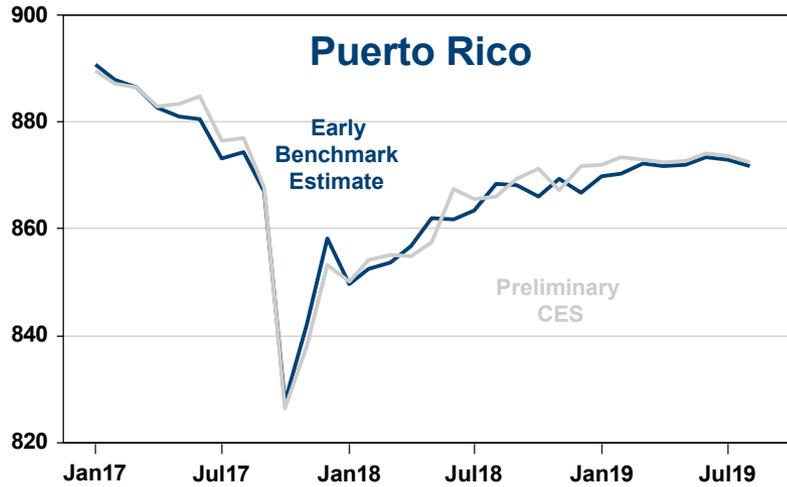
FRBNY Early Employment Benchmark

Total Employment in Thousands, Aug 2019 (QCEW Q12019)



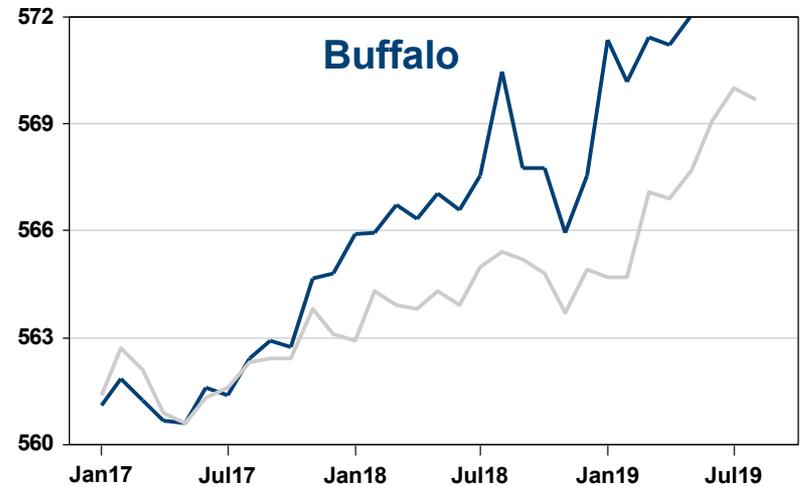
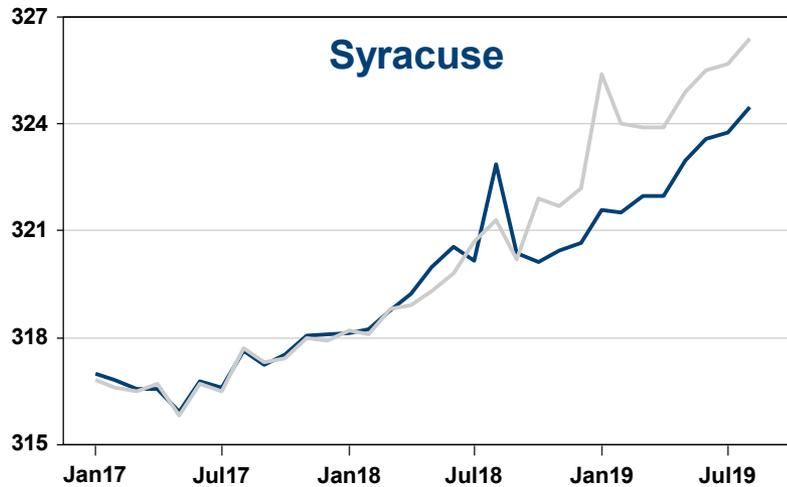
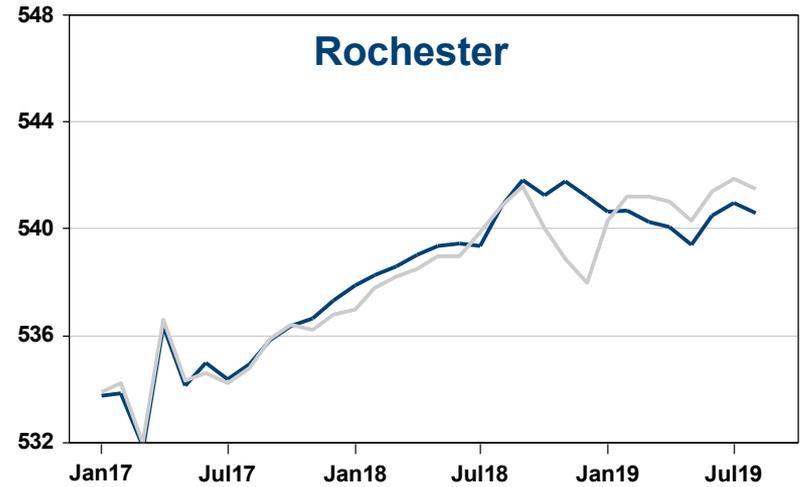
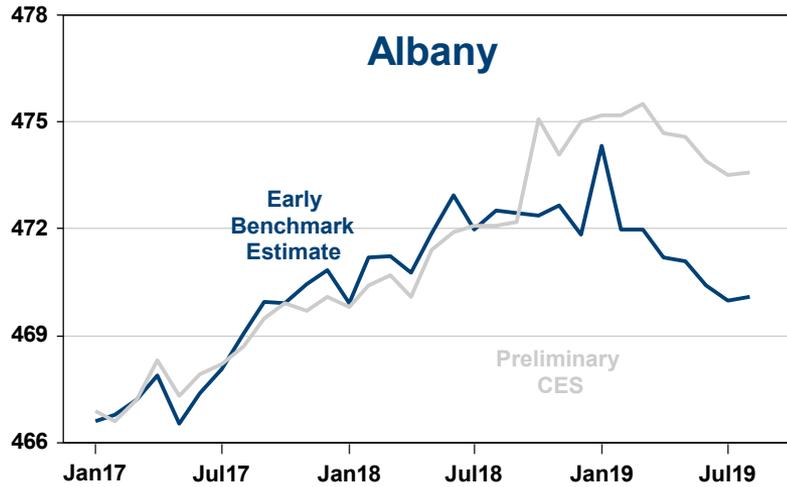
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Total Employment in Thousands, Aug 2019 (QCEW Q12019)



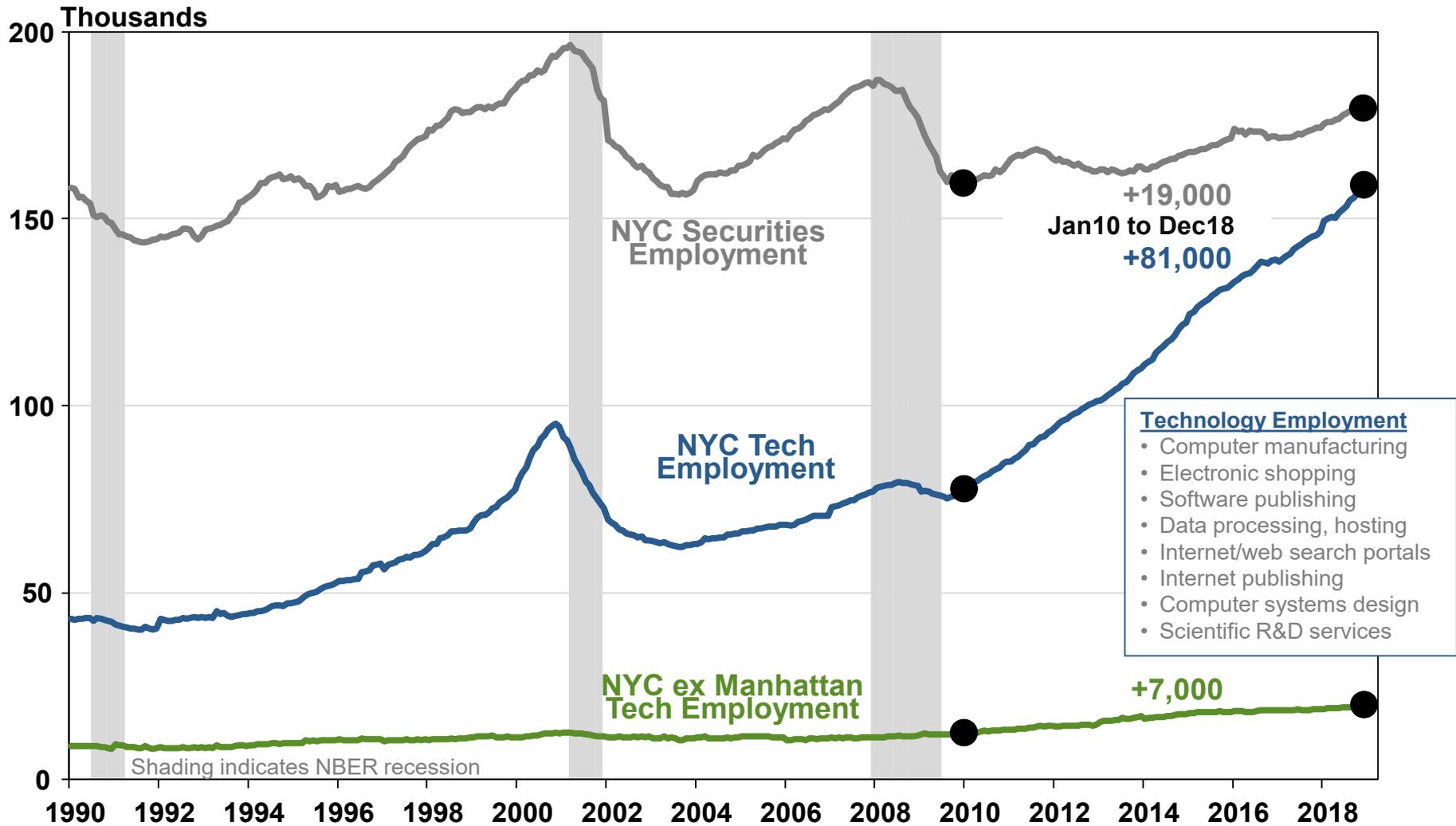
FRBNY Early Employment Benchmark

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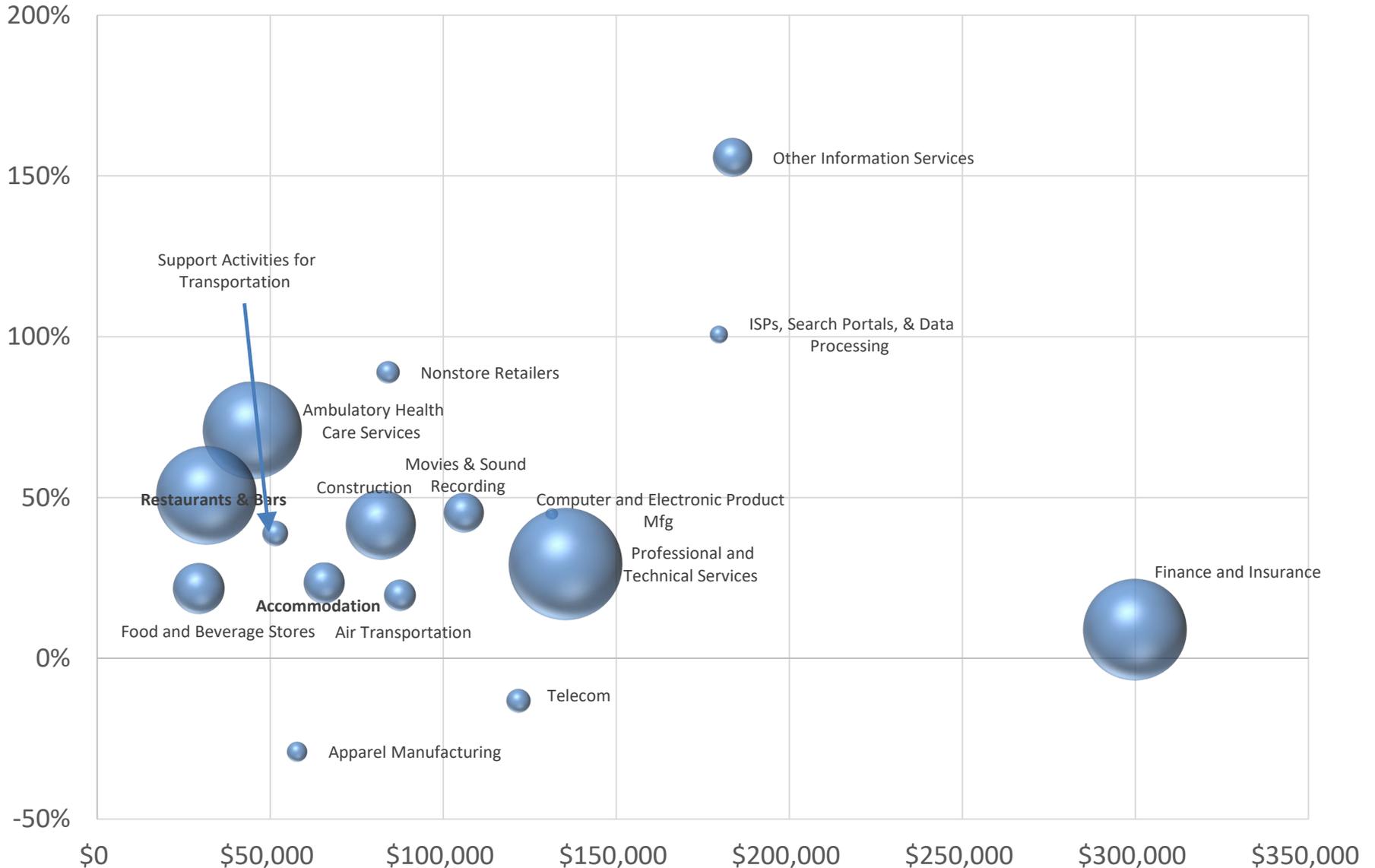


New York City's New Growth Sector

Number of Jobs in Thousands



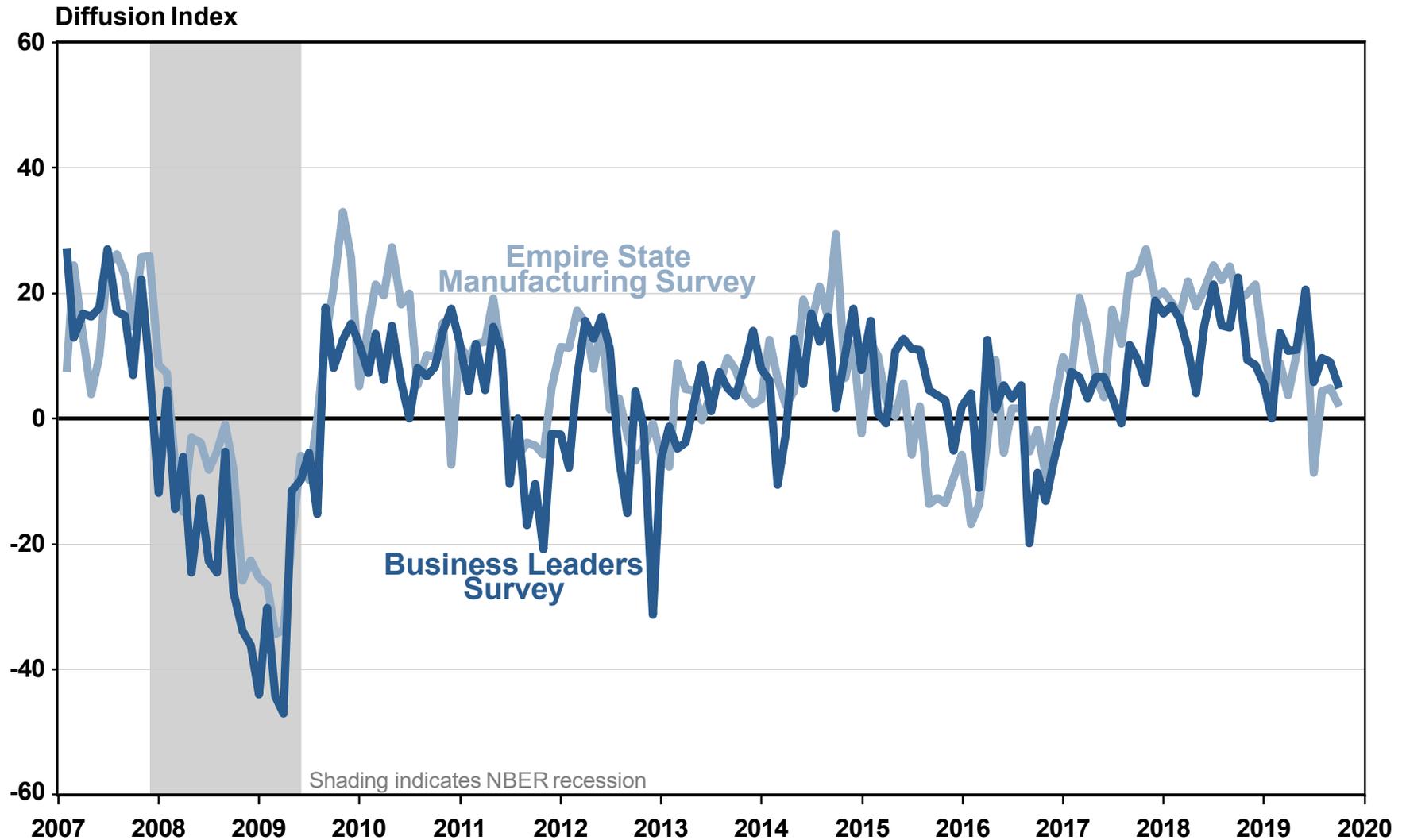
Average Earnings vs Job Growth (2010-18) for Selected NYC Industries



Sources: NY State Department of Labor, QCEW; FRBNY staff calculations

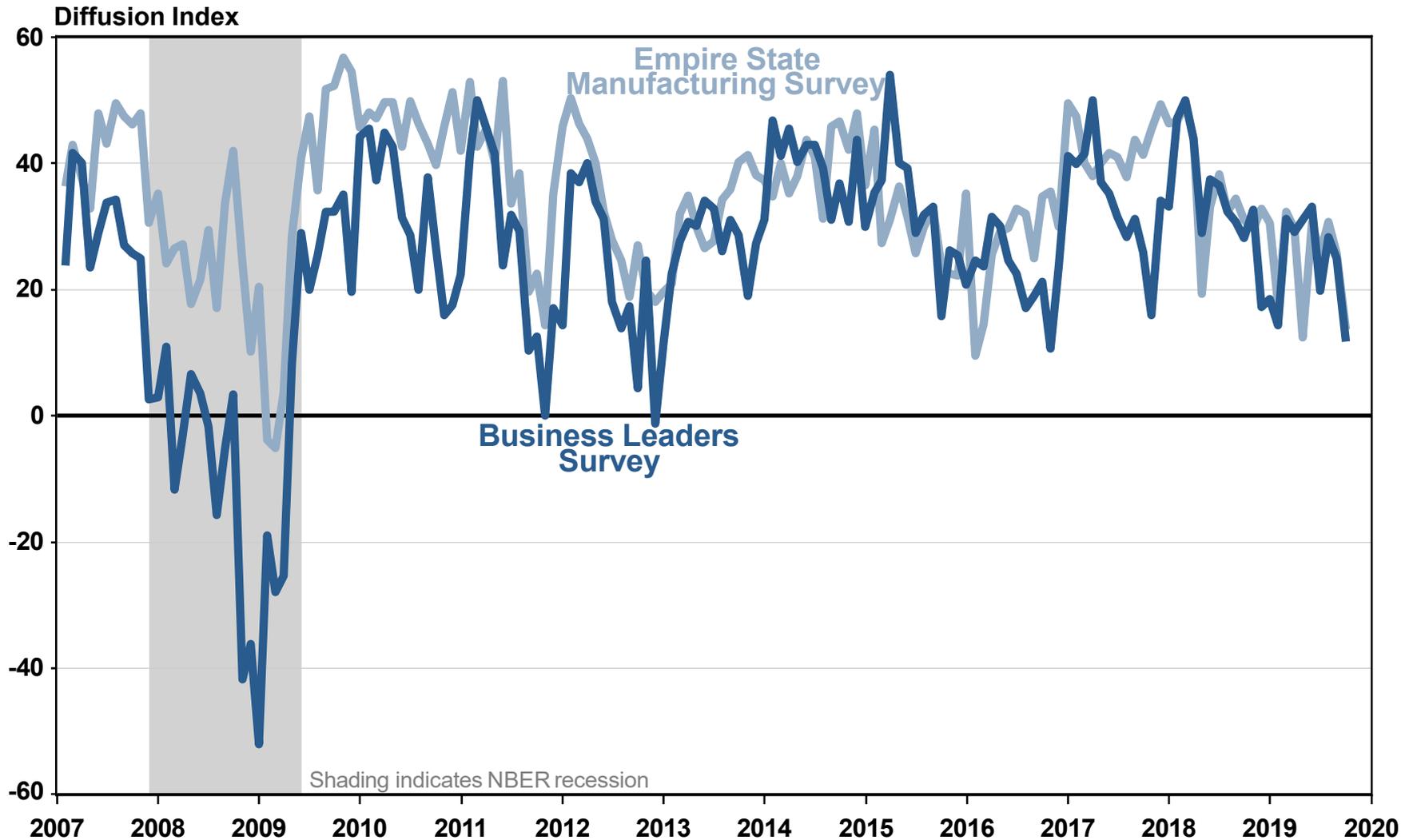
Current Economic Conditions

FRBNY Business Surveys, Current Conditions



Future Economic Conditions

FRBNY Business Surveys, Conditions Six Months Ahead

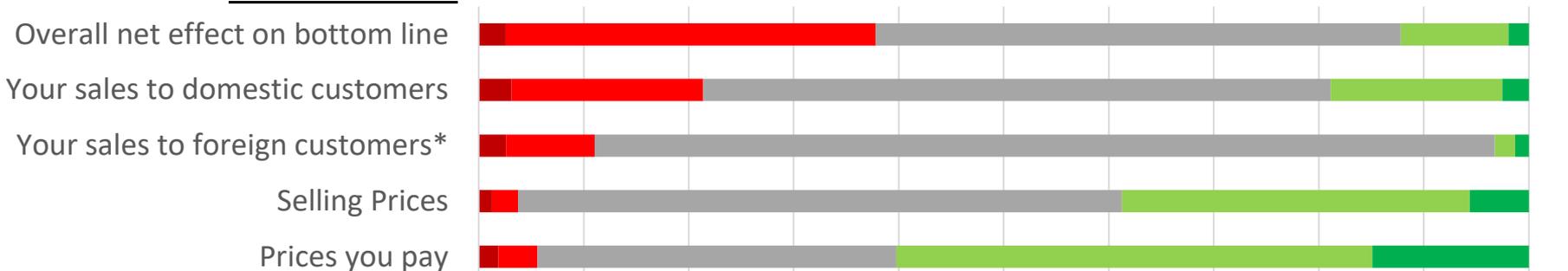


Shading indicates NBER recession

August 2019 Survey on Trade & Tariffs

What effect do you see changes in U.S. trade policies having on each of these components of your business this year (2019)?

Manufacturers



Service Firms



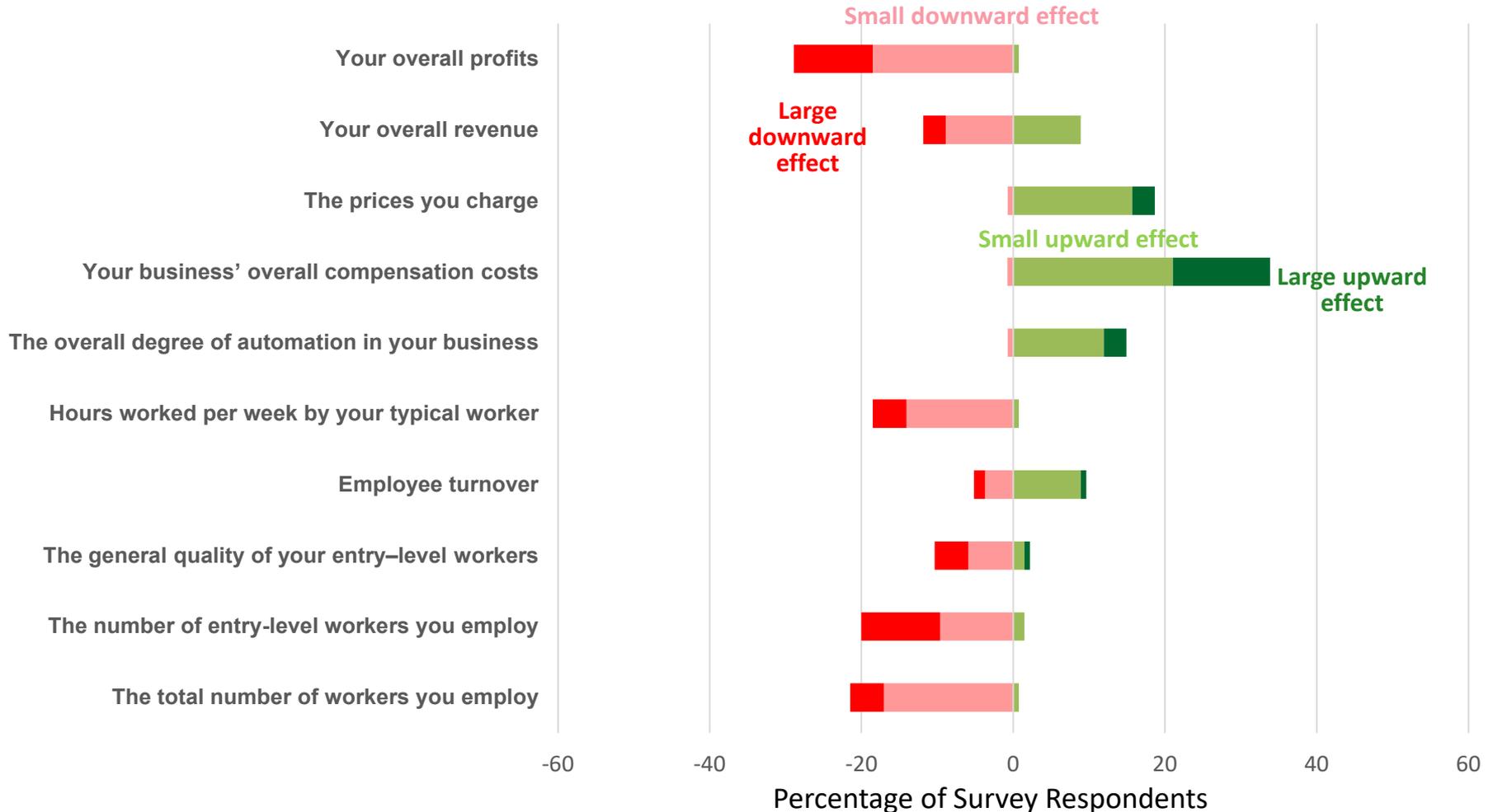
0% 10% 20% 30% 40% 50% 60% 70% 80% 90% 100%

Percentage of Respondents

- Significant Downward Effect
- Slight Downward Effect
- No Effect
- Slight Upward Effect
- Significant Upward Effect

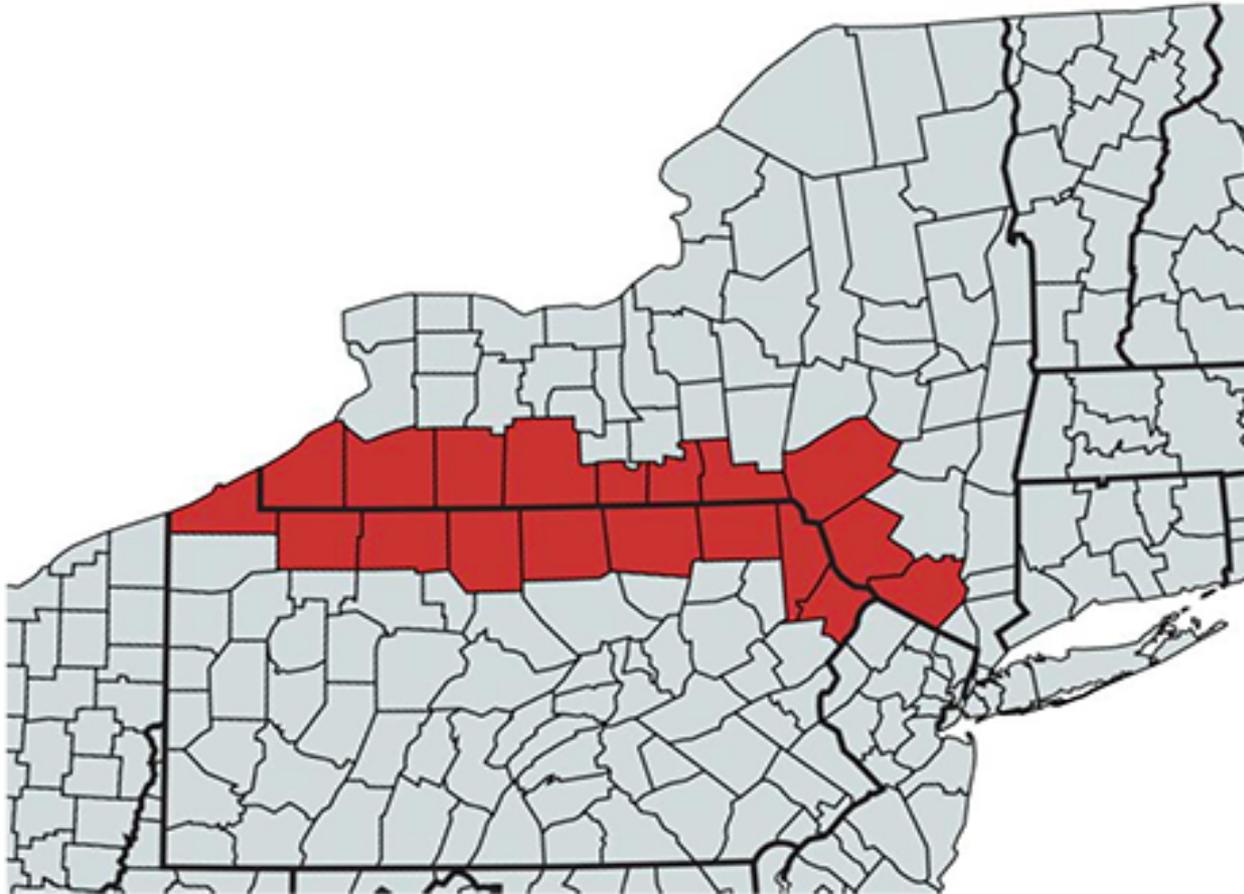
April 2019 Survey of NY Service-Sector Firms on the Minimum Wage

Please indicate what effect you think this increase in the minimum wage has had, for your operations in New York State, on each of the following?



Minimum Wage Effects along the NY/PA Border

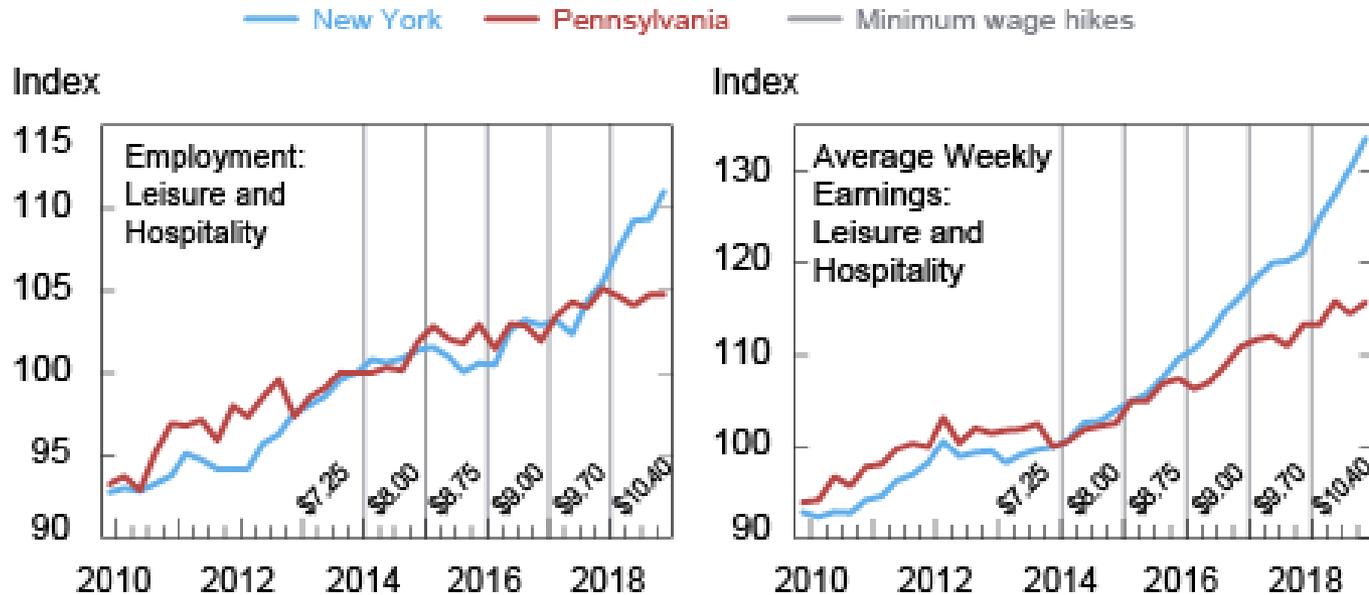
Data Are Drawn from Nineteen New York-Pennsylvania Border Counties



Taken from Liberty Street Economics blog post:
<https://libtystreeteconomics.newyorkfed.org/2019/09/minimum-wage-impacts-along-the-new-york-pennsylvania-border.html>

Minimum Wage Effects along the NY/PA Border

Earnings Rose More in New York than Pennsylvania Counties with No Adverse Employment Effects



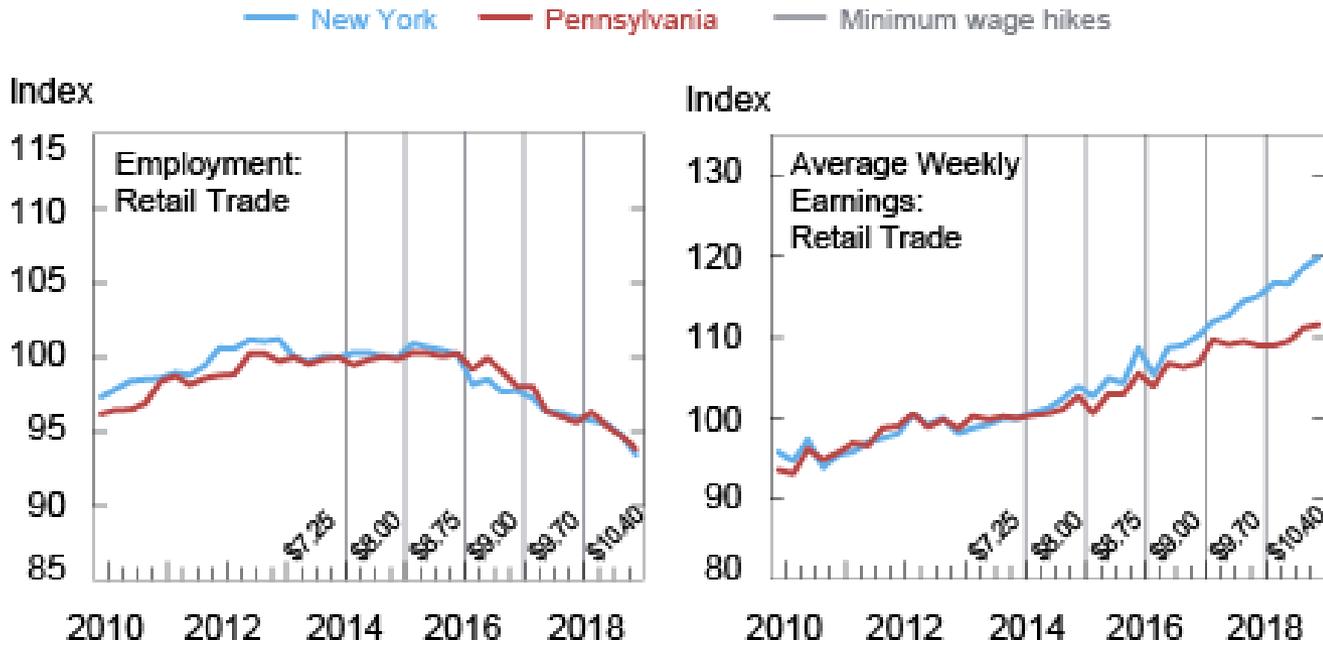
Sources: U.S. Bureau of Labor Statistics, Quarterly Census of Employment and Wages; Moody's Economy.com.

Notes: Employment and average weekly earnings for the leisure and hospitality sector in both states are indexed to 100 in 2013:Q4, the quarter before New York's first minimum wage increase. Vertical lines indicate dates of gradual increases in New York's minimum wage from \$7.25 per hour prior to 2014 to \$10.40 per hour in 2018. Blue and red lines indicate averages for the counties along the New York-Pennsylvania border for each state.

Taken from Liberty Street Economics blog post:
<https://libertystreeteconomics.newyorkfed.org/2019/09/minimum-wage-impacts-along-the-new-york-pennsylvania-border.html>

Minimum Wage Effects along the NY/PA Border

Even in a Shrinking Sector, Job Loss across States Was Similar as Wages Diverged



Sources: U.S. Bureau of Labor Statistics, Quarterly Census of Employment and Wages; Moody's Economy.com.

Notes: Employment and average weekly earnings for the retail trade sector in both states are indexed to 100 in 2013:Q4, the quarter before New York's first minimum wage increase. Vertical lines indicate dates of gradual increases in New York's minimum wage from \$7.25 per hour prior to 2014 to \$10.40 per hour in 2018. Blue and red lines indicate averages for the counties along the New York-Pennsylvania border for each state.

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Regional Recap

- Job growth has slowed in New York City & New Jersey but has picked up in Upstate New York.
- Business surveys point to slowing growth, diminished optimism.
- Businesses express fairly widespread concern about tariffs and trade tensions (uncertainty) and NY's rising minimum wage.
- A recent analysis of 10 upstate NY counties suggests that the rising minimum wage has not had adverse employment effects thus far.